

OPERATIONS AND MAINTENANCE WORKSHEET

Operation and Maintenance Expense	Annual Estimate
Personnel	\$66,382
Utilities	\$36,000
Materials and Equipment	\$7,300
Other	\$25,000
Total O&M Expenses	\$134,682

Details

Personnel	Totals from Detail Below
Administrative Personnel	\$39,809
Maintenance Personnel	\$4,621
Custodial Personnel	\$6,932
Other Personnel	\$15,019
Personnel Total	\$66,382

Materials and Equipment	Monthly Cost	Annual Cost
Repairs & Maintenance	\$208	\$2,500
Supplies	\$100	\$1,200
Elevator Maintenance	\$300	\$3,600
Materials & Equipment Total		\$7,300

Utilities	Unit	Cost per Unit	x Units per Year	= Annual Cost
Electricity	month	\$1,000	12	\$12,000
Fuel Oil	gal	\$3	8,000	\$20,000
Telephone	month	\$250	12	\$3,000
Water Testing	Annual	\$1,000	1	\$1,000
Sewer	0	\$0	0	\$0
Utility Total				\$36,000

Other	Unit	Cost per Unit	x Units per Year	= Annual Cost
Property Insurance	Annual	\$10,000	1	\$10,000
General Liability	Annual	\$15,000	1	\$15,000
Other Expense Total				\$25,000

OPERATIONS AND MAINTENANCE WORKSHEET

Personnel Expenses Detail	Hours per Week	x Weeks per Year	= Annual Hours	x Hourly Rate	= Annual Wages	+ Payroll Taxes	+ Employee Benefits	= Annual Cost	Totals
						11.09%	7.12%		
Administrative Personnel									\$39,809
Clerk	28	52	1456	\$24.50	\$35,672	\$3,956	\$181	\$39,809	
Maintenance Personnel									\$4,621
Maintenance Technician	4	52	208	\$20.00	\$4,160	\$461	\$0	\$4,621	
Custodial Personnel									\$6,932
Janitor	10	52	520	\$12.00	\$6,240	\$692	\$0	\$6,932	
Other Personnel									\$15,019
DMV Personnel	20	52	1040	\$13.00	\$13,520	\$1,499	\$0	\$15,019	
Personnel Subtotal									\$66,382

Notes

- 1 Payroll Taxes equal the Employer's share of FICA, Medicare, and Unemployment.
- 2 The Clerk is the only full time employee with benefits. All others are part time with no benefits.
- 3 For all Anderson employees except the Clerk, FICA/PERS is 6.2%, Medicare is 1.45%, and ESC is 3.44%, or a total of 11.09%.
- 4 For the Anderson Clerk, benefits are 7.12%.
- 5 Electricity and fuel cost estimates are based on costs for similar existing spaces in Anderson and energy savings measures for spaces with limited use.
- 6 Water Testing expense of \$1,000/yr based on actual costs for similar Class A well testing.
- 7 Insurance: Use \$15,000 for General Liability & \$10,000 for Property Protection based on telephone conversation with Alaska Municipal League Insurance.
- 8 Repairs & Maintenance: Use 2005 actual of \$465 factored by 5.22 (i.e. ratio of square foot increase from 3,500 to 18,270 sq. ft.) rounded to \$2,500.
- 9 Elevator O&M: Use \$300/mo. based on quote from Otis.

REPAIR AND REPLACEMENT (R&R) WORKSHEET

Repair and Replacement Expense	Number of Items	(multiplied by) Cost to Replace	(divided by) Useful Life in Years	(equals) Annual Estimate
Equipment				
Boiler	2	\$15,000	15	\$2,000
Hotwater Heater	2	\$3,000	10	\$600
Elevator	1	\$50,000	20	\$2,500
Emergency Back-Up Generator	1	\$40,000	20	\$2,000
Furnishings				
Furnishings-Lump Sum Allotment	1	\$100,000	20	\$5,000
Annual Repair and Replacement Total				\$12,100

Notes

- 1 Boiler Replacement Cost: Consider 2 boilers for facility at \$15,000 replacement cost each.
- 2 Elevator Capital Cost: Capital replacement cost of \$50,000 obtained from Otis Elevator for budget. Consider 20 yr life.
- 3 Emergency Back-Up Generator: Use \$40,000 replacement cost based on budget quote from Alaska Diesel Electric.

CAPITAL REPLACEMENT WORKSHEET

Capital Replacement Expense	
Facility Cost:	\$5,711,000
Inflation Rate:	4.0%
Expected Life in Years:	60
Future Value of Facility (Cost with inflation):	\$60,077,592 (formula for future value of an asset)
Percent Local Cash Required for Replacement:	10%
10% Capital Replacement Amount:	\$6,007,759 (future value multiplied by % local cash required)
Expected Interest Rate:	4.0%
Annual Capital Replacement Expense	\$25,244 (formula for determining annual capital replacement amount)

Capital Replacement Fund				
Year	Start of Year Balance	Annual Deposit	Interest Earnings	End of Year Balance
1	\$0	\$25,244	\$0	\$25,244
2	\$25,244	\$25,244	\$1,010	\$51,497
3	\$51,497	\$25,244	\$2,060	\$78,801
4	\$78,801	\$25,244	\$3,152	\$107,196
5	\$107,196	\$25,244	\$4,288	\$136,728
6	\$136,728	\$25,244	\$5,469	\$167,441
7	\$167,441	\$25,244	\$6,698	\$199,382
8	\$199,382	\$25,244	\$7,975	\$232,601
9	\$232,601	\$25,244	\$9,304	\$267,149
10	\$267,149	\$25,244	\$10,686	\$303,078
11	\$303,078	\$25,244	\$12,123	\$340,445
12	\$340,445	\$25,244	\$13,618	\$379,307
13	\$379,307	\$25,244	\$15,172	\$419,722
14	\$419,722	\$25,244	\$16,789	\$461,755
15	\$461,755	\$25,244	\$18,470	\$505,469
16	\$505,469	\$25,244	\$20,219	\$550,931
17	\$550,931	\$25,244	\$22,037	\$598,212
18	\$598,212	\$25,244	\$23,928	\$647,384
19	\$647,384	\$25,244	\$25,895	\$698,523
20	\$698,523	\$25,244	\$27,941	\$751,708
21	\$751,708	\$25,244	\$30,068	\$807,020
22	\$807,020	\$25,244	\$32,281	\$864,545
23	\$864,545	\$25,244	\$34,582	\$924,370
24	\$924,370	\$25,244	\$36,975	\$986,589
25	\$986,589	\$25,244	\$39,464	\$1,051,296
26	\$1,051,296	\$25,244	\$42,052	\$1,118,591
27	\$1,118,591	\$25,244	\$44,744	\$1,188,579
28	\$1,188,579	\$25,244	\$47,543	\$1,261,365
29	\$1,261,365	\$25,244	\$50,455	\$1,337,064
30	\$1,337,064	\$25,244	\$53,483	\$1,415,790
31	\$1,415,790	\$25,244	\$56,632	\$1,497,665
32	\$1,497,665	\$25,244	\$59,907	\$1,582,815

CAPITAL REPLACEMENT WORKSHEET

33	\$1,582,815	\$25,244	\$63,313	\$1,671,372
34	\$1,671,372	\$25,244	\$66,855	\$1,763,470
35	\$1,763,470	\$25,244	\$70,539	\$1,859,253
36	\$1,859,253	\$25,244	\$74,370	\$1,958,867
37	\$1,958,867	\$25,244	\$78,355	\$2,062,465
38	\$2,062,465	\$25,244	\$82,499	\$2,170,207
39	\$2,170,207	\$25,244	\$86,808	\$2,282,259
40	\$2,282,259	\$25,244	\$91,290	\$2,398,793
41	\$2,398,793	\$25,244	\$95,952	\$2,519,989
42	\$2,519,989	\$25,244	\$100,800	\$2,646,032
43	\$2,646,032	\$25,244	\$105,841	\$2,777,117
44	\$2,777,117	\$25,244	\$111,085	\$2,913,445
45	\$2,913,445	\$25,244	\$116,538	\$3,055,226
46	\$3,055,226	\$25,244	\$122,209	\$3,202,679
47	\$3,202,679	\$25,244	\$128,107	\$3,356,030
48	\$3,356,030	\$25,244	\$134,241	\$3,515,515
49	\$3,515,515	\$25,244	\$140,621	\$3,681,379
50	\$3,681,379	\$25,244	\$147,255	\$3,853,878

Notes

- 1 The existing city building was constructed in the early 1950's. By the time the city moves out of the existing building it will have been in use for about 60 years. Based on the city's previous maintenance record, the expected life of the new multi-use facility is at least 60 years.

REVENUE WORKSHEET

Revenue Source	Monthly Rate	# of Units	Subtotals	Annual Estimate
Rental Revenue				\$ 62,292
USPO Lease	\$ 619	1	\$ 7,428	
DMV Space	\$ 1,610	1	\$ 19,320	
Rental No. 1	\$ 845	1	\$ 10,140	
Rental No. 2	\$ 845	1	\$ 10,140	
Rental No. 3	\$ 550	1	\$ 6,600	
Rental No. 4	\$ 422	1	\$ 5,064	
Comm. Center w/Kitchen	\$ 200	1	\$ 2,400	
Council Chambers	\$ 100	1	\$ 1,200	
Other Revenue				\$ 112,780
DMV Income			\$ 15,680	
Telephone/Elect			\$ 5,500	
Denali Borough Fire			\$ 10,000	
Utility Tax			\$ 44,000	
Building Rental Shop & Clinic			\$ 12,600	
Miscellaneous income			\$ 25,000	
Total Annual Revenue				\$ 175,072

Notes

- 1 Rent is charged at \$1.25/sq ft based on USPO current rent schedule.
- 2 USPO Rental Space = 495 sq. ft. x \$1.25 @ 100% = \$619/mo.
- 3 DMV Rental Space = 1,288 sq ft X \$1.25 @ 100% = \$1,610/mo.
- 4 Rental Revenue includes a 75% occupancy factor and is computed as follows:
 - Rental No. 1 & 2 = 900 sq ft X \$1.25 X .75 = \$845/mo. (average)
 - Rental No. 3 = 585 sq ft X \$1.25 X .75 = \$550/mo. (average)
 - Rental No. 4 = 450 sq ft X \$1.25 X .75 = \$422/mo. (average)
- 5 Consider Community Center (with Kitchen) is rented out once each month for a community event (e.g. wedding) for \$200 per event.
- 6 Consider Council Chamber (without kitchen) is rented out once each month for a community event for \$100/event.
- 7 Miscellaneous income includes revenues from other city enterprises, such as land sales.

NET INCOME WORKSHEET

Revenue		
Rental Revenue	\$62,292	
Other Revenue	\$112,780	
Total Revenue		\$175,072
Expenses		
Operation and Maintenance Expense	\$134,682	
Repair and Replacement Expense	\$12,100	
Capital Replacement Account	\$25,244	
Total Expenses		\$172,026
Net Income (Loss)		\$3,046